

TECHNICAL ASSISTANCE ADVISORY

TO: All Insurers Authorized in the state of Washington

SUBJECT: Market Conduct Initiatives and Best Practices Organizations

The Office of the Insurance Commissioner (“OIC”) wishes to promote the highest standards for market conduct activities of insurers. To that end, OIC has considered the role that “best practices organizations” might play in promoting such standards in the insurance industry. The OIC has determined that the qualification process of a best practices organization, such as the Insurance Marketplace Standards Association (IMSA), including the information collected and reviewed during the qualification process, will facilitate the market analysis and market regulation work of the OIC.

For example, as part of market analysis or a market action (including an examination or other review), the OIC may ask whether the insurer is a member of IMSA. If so, the OIC may ask for and review evidence concerning the insurer’s compliance with IMSA’s standards. If satisfied, the OIC may rely on such information as a positive factor in market analysis or to limit the scope of a market action by excluding from review areas covered by the IMSA accreditation such as marketing and sales practices and the handling of consumer complaints.

Although this Advisory addresses IMSA membership, the OIC does not mean to exclude from consideration an insurer’s membership in other “best practices” organizations. The OIC encourages insurers admitted in the state to investigate membership in such organizations as a way of developing high and uniform standards for market conduct activities.